

Message Text

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PAGE 01 KINSHA 08192 101745Z

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CHEROKEE

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SUBJECT: ZAIRE ECONOMIC SITUATION/ANGOLAN WAR

1. FIRST, A FEW ASSUMPTIONS RELATIVE TO THE ANGOLAN WAR:

A. MOBUTU DECIDED LONG AGO THAT HE COULD NOT PERMIT AN MPLA VICTORY IN ANGOLA AND THAT HE WANTED CABINDA AS A VASSAL STATE.

B. WHEN DEVELOPMENTS IN PORTUGAL BEGAIN TO PREOCCUPY THE USG, AND WHEN THE SOVIET UNION BEGAIN TO SUPPLY ARMS TO THE MPLA, MOBUTU UNILATERALLY INCREASED HIS COMMITMENT TO THE FNLA, FIGURING THAT HE WOULD HAVE OUR BACKING.

C. WHEN INDEED WE DID BEGIN TO PROVIDE SUPPORT, NOT ONLY ON THE MILITARY FRONT BUT ALSO ON THE ECONOMIC SIDE, MOBUTU'S VISION GREW TO BELIEVE THAT WE WOULD HELP HIM IMPOSE HIS KIND OF SOLUTION IN ANGOLA AND CABINDA, FINANCE THE RECOMMENDATIONS OF THE ROCKWELL REPORT AND USE OUR MONEY AND INFLUENCE TO FILL HIS \$400 MILLION DEFICIT TOO.

2. WITH THE FOREGOING IN MIND AND IN VIEW OF RECENT DEVELOPMENTS IN ANGOLA, AND ZAIRE'S (AND OUR) INCREASING COMMITMENT OF RESOURCES TO THAT WAR--THINK ABOUT THE

SECRET

SECRET

PAGE 02 KINSHA 08192 101745Z

FOLLOWING:

A. WITHOUT REFERENCE TO THE ANGOLAN WAR, WE HAD CALCULATED THE ZAIRIAN BALANCE OF PAYMENTS DEFICIT FOR 1975 AT \$400 MILLION AND HAD DESCRIBED A SEVERELY DISLOCATED ZAIRIAN ECONOMY.

B. THE PETROLEUM SHORTAGE HAS ALREADY REACHED THE CRISIS POINT AS ZAIRE'S PRODUCTIVE HEARTLAND IN THE COPPER BELT IS CUT OFF FROM SUPPLIES. IN THE FACE OF ECONOMIC DISINTEGRATION ON THE HOME FRONT, MOBUTU IS TRANSFIXED BY THE ANGOLAN WAR AND NONE OF THE ESSENTIAL STEPS NEEDED TO PUT THE ECONOMY BACK TOGETHER AGAIN ARE BEING TAKEN.

C. AS ZAIRE INCREASES ITS COMMITMENT TO ANGOLA (THERE ARE OF COURSE SIGNIFICANT RESOURCE LOSSES TO ZAIRE EVEN WHEN WE REPLACE MILITARY EQUIPMENT ONE FOR ONE)-- THE BASIC \$400 MILLION DEFICIT WILL INCREASE.

D. IN THESE CIRCUMSTANCES AND AS THE FACTS OF THE ANGOLAN WAR MOVE INTO THE PUBLIC DOMAIN, WILL THE TENUOUS ALLIANCE OF THE IMF, THE CONSULTATIVE GROUP AND THE PRIVATE BANKS BE WILLING TO FINANCE SOME OF THE COSTS OF THE WAR? WILL THEY BE WILLING TO HANG IN EVEN FOR THE ORIGINAL VISION OF AN ECONOMIC RECOVERY PROGRAM? WILL THE CONGRESS BUY THE \$20 MILLION PROGRAM LOAN, AN ESSENTIAL PART OF OUR ASSISTANCE PACKAGE? WILL THE CONGRESS APPROVE AN INCREASE FOR OUR SHARE OF THE GROWING PIE?

3. THAT AIN'T ALL. ONE OF THE ORIGINAL ASSUMPTIONS WAS THAT MOBUTU WOULD NOT PERMIT AN MPLA VICTORY IN ANGOLA AND THAT HE HAD A SPECIAL DREAM FOR CABINDA. WITH THE FNLA WITHDRAWAL FROM CAXITO THIS WEEKEND, I CONSIDER IT HIGHLY LIKELY THAT:

A. MOBUTU WILL SEND HIS FORCES, IN BATTALION STRENGTH, ACROSS THE BORDER INTO ANGOLA AND WILL MOVE THE FLEC INTO CABINDA, OR,/

?. EVEN IF HE DECIDES AGAINST SUCH OVERT MILITARY MOVES, HE WILL DEMAND A VASTLY INCREASED PROGRAM OF SUPPORT TO THE FNLA, UNITA, FLEC AND EVEN THEN, HE IS LIKELY TO SEND THE FLEC INTO CABINDA AND INCREASE THE NUMBER OF ZAIRIAN SOLDIERS IN FNLA AND UNITA RANKS.

SECRET

SECRET

PAGE 03 KINSHA 08192 101745Z

C. IN ANY EVENT, THE PROFOUND DEGREE OF MOBUTU'S COMMITMENT OF ARMS AND MEN MAY WELL BECOME KNOWN. AND ALSO POSSIBLY OUR SUPPORT.

D. AND IF THE SCENARIO DEVELOPS LIKE THIS, WILL THE CONGRESS GO ALONG WHEN IT COMES TIME TO REPLENISH THE AGENCY'S RESERVE FUNDS? WILL IT GO ALONG WITH THE INCREASED FMS PROGRAM?

4. I GO THROUGH THIS EXERCISE AND RASIE THESE OBVIOUS
QUESTIONS FOR SEVERAL REASONS:

A. I AM CONCERNED THAT UNDER PRESENT CIRCUMSTANCES
MOBUTU BELIEVES WE CAN AND WILL SUPPORT HIM ALL THE
WAY. AND I DON'T THINK WE CAN.

B. IF IT TURNS OUT THAT WE CAN'T I PREDICT THAT HE
WILL HAVE FATALLY OVERCOMMITTED HIMSELF; HE HAS WRECKED
HIS ECONOMY, ALIENATED LITERALLY EVERY POWER CENTER IN
ZAIRE AND SURVIVED THUS FAR BY SHEER POLITICAL GENIUS
AND FORCE OF WILL. THE ANGOLAN WAR, IF IT EVOLVES AS
DESCRIBED ABOVE, COULD DESTROY HIM.

C. THE INTERNATIONAL AND DOMESTIC US REPERCUSSIONS
ARE OBVIOUS. AND FROM THE POINT OF VIEW OF OUR OWN
INTERESTS, I DO NOT BELIEVE THAT WE SHOULD CONTINUE
TO ALLOW MOBUTU OR THE RHYTHM OF THE WAR IN ANGOLA TO
PULL US INTO AN UNTENABLE POSITION./

5. THEREFORE, UNLESS WE ARE CERTAIN WE CAN PROVIDE THE
INCREASED FINANCIAL AND MILITARY RESOURCES WHICH WILL
INEVITABLY BE REQUIRED BY THE CURRENT TRENDS--WE HAD
BETTER TELL MOBUTU TO SLOW DOWN IN ANGOLA AND CABINDA
AND TURN TO WORK ON HIS ECONOMIC PROBLEMS. I DO NOT
MEAN THAT WE SHOULD CEASE OUR SUPPORT TO MOBUTU, THE
FNLA AND UNITA, BUT RATHER THAT THE LIMIT OF SUCH
SUPPORT BE DEFINED CLEARLY.

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